

LNF & IHCIF Calculations Illustration **- CROWNPOINT in Navajo area -**

Given Data

- 22,298 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 24% = % Expenditures on purchased services, 76% = % expenditures in-house
- 92.0% = Cost index for purchasing health care in this geographic area
- 91.1% = Size cost index for in-house costs due to small or large size
- 101.9% = Navajo area cost index for health status above or below average

Cost Adjustment Calculations

- \$672 per person for purchased services = $24\% * 92.0\% * \$2,980$
- \$2,051 per person for in-house services = $76\% * 91.1\% * \$2,980$
- \$2,723 per person total = \$672 (purchase) + \$2,051 (in-house)
- **\$2,775 per person total** adjusted for health status = $\$2,723 * 101.9\%$
- **\$2,030 per person net cost** = $\$2,775 - \745 Other resources (M&M&PI)

Existing Expenditures (for 22,298 users excluding wrap-around and collections)

- \$551 per person = local IHS allowance (excludes \$ for wrap-around)
- \$273 per person = expenditures elsewhere in Navajo area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$878 per person for OU users** = $\$551 + \$273 + \$54$

LNF Calculation

- **31.6% Gross LNF** = $\$878$ (expenditures) / $\$2,775$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **43.2% Net LNF** = $\$878 / \$2,030$ net cost ($\$2,775 - \745 other)

IHCIF Allocation

- \$7,589,573 = \$ to raise LNF% from 43.2% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$264,724 Allocation** = $\$7,589,573$ needed for 60% * 3.488% IHCIF fraction

CROWNPOINT Unmet Needs

- **\$45,264,647 Net Total Need** = 22,298 users * $\$2,030$ net cost
- **\$25,695,431 Net Unmet Need** = $(100\% - 43.2\% \text{ LNF}) * 22,298 \text{ users} * \$2,030 \text{ net cost}$